

Corporate Governance

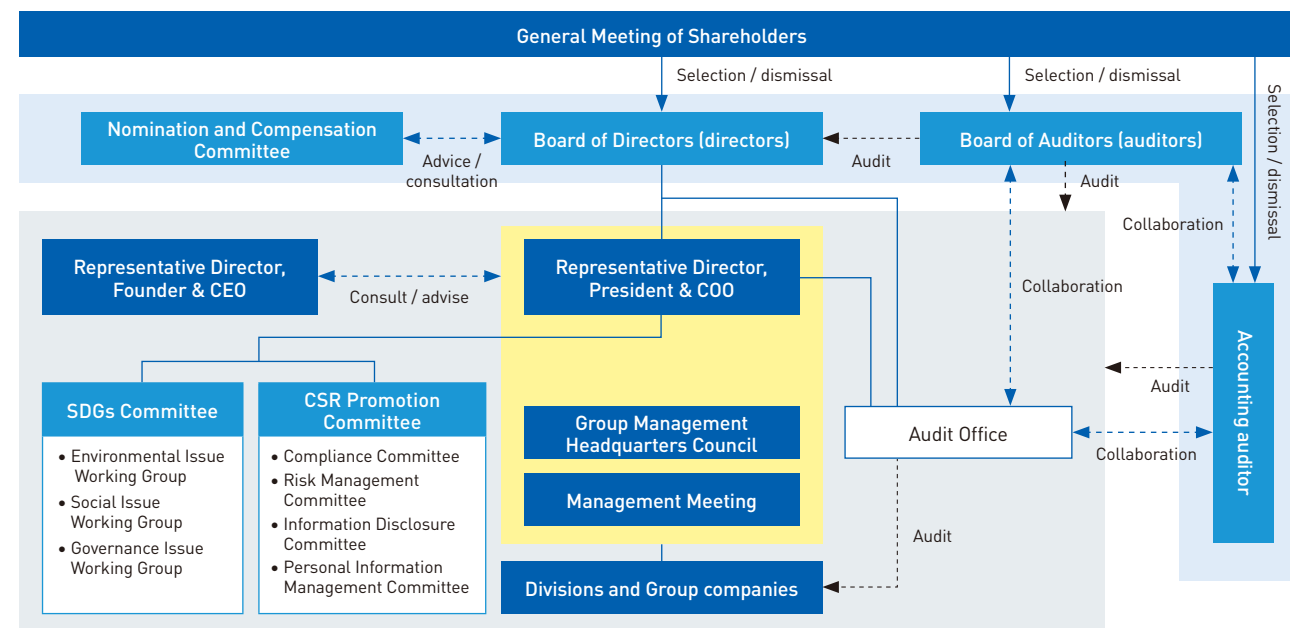
Basic approach and structure of corporate governance

KAGA ELECTRONICS recognizes that enhancing corporate governance is a key management issue. The Company is therefore building a corporate governance system with the fundamental policies and aims of ensuring total compliance with corporate ethics, laws, and regulations, reinforcing internal control systems, and securing the soundness, efficiency, and transparency of business operations to improve its corporate value. Moreover, in light of the importance of corporate governance, the Company maintains the CSR Promotion Committee, the SDGs Committee and the Nomination and Compensation Committee, thereby strengthening its corporate governance structure.

KAGA ELECTRONICS is a company with a board of directors and board of auditors. It has adopted a corporate governance system based on collaboration among its Board of Directors, auditors and Board of Auditors, and with the accounting auditor. In principle, the Board of Directors meets once a month and holds extraordinary meetings on a flexible basis. The Board of Directors makes decisions on important matters related to items stipulated by laws and regulations as well as

to management, and it supervises the execution of duties by directors. Consisting of six directors, including three of both internal and outside directors, the Board of Directors is capable of sufficiently discussing the aforementioned matters and making accurate and swift decisions. In addition, although the Company has maintained an employment-based executive officer system since April 1, 2005, it switched to a commissioned executive officer system on April 1, 2022, in order to further enhance corporate governance. Based on this system, the Company has even more clearly defined the roles of individuals tasked with management decision making and supervision and those tasked with business execution, thereby facilitating the separation of functions. Moreover, with this move the Company secured a structure capable of responding swiftly to changes in the external environment even as it strengthened both Board of Directors functions and executive functions. The Board of Auditors consists of four auditors, including three outside auditors. Auditors regularly attend Board of Directors meetings while proactively participating in other important internal meetings as part of their duties.

Corporate Governance Organizational Diagram



Nomination and Compensation Committee

The Company has established the Nomination and Compensation Committee in an effort to secure the transparency and objectivity of its process for nominating candidates for directors and auditors, evaluating their performance and determining remuneration for these individuals. The Nomination and Compensation Committee consists of at least three directors selected by the Board of Directors, a majority of whom shall be independent outside directors, and the chairperson of the committee shall be selected from the independent outside directors.

Audit Office

The Company established an Audit Office under the direct authority of the Representative Director, President & COO. The Audit Office works in collaboration with the Administration Headquarters, etc., conducting audits to assess the appropriateness of business activities undertaken by Group companies and other entities, monitor the status of management resources they use, and confirm that they are in compliance with laws and regulations, the Articles of Incorporation, and other internal rules. Moreover, pursuant to the Financial Instruments and Exchange Act, the Audit Office conducts evaluations of internal control systems.

SDGs Committee

The SDGs Committee is chaired by the President and COO, and comprises each division's chief officers, among others. Working groups on the environment (E), society (S), and governance (G) are set up under this committee to establish guidelines, measures and objectives for these ESG issues, as well as to monitor progress and perform other functions.

CSR Promotion Committee

The CSR Promotion Committee is chaired by the Representative Director, President & COO. The Company established Information Disclosure Committee, Risk Management Committee, Compliance Committee and Personal Information Management Committee as subordinate organizations. These organizations work to normalize decision-making and the execution of business operations throughout the Group.

Outside officers

The Company has appointed three outside directors and three outside auditors. Based on the Tokyo Stock Exchange standards on independence, we appoint outside officers who do not have any special interests in the Company and who have extensive experience and broad powers of judgment in corporate management. The auditors are also required to have highly specialized knowledge and maintain independence from management executives.

The Company has established a staff office of the Board of Directors, that distributes materials related to matters of

deliberation by the Board to all officers, including outside officers, ahead of the meeting day. The staff office provides supplementary explanations to the outside officers when needed to ensure that adequate information is imparted in advance. This helps support lively debate at Board of Directors meetings. By the end of each fiscal year, the staff office sets the schedule for the regular Board of Directors meetings for the following fiscal year and notifies all officers, including outside officers, of this schedule in order to improve attendance.

Attendance at Board of Directors Meetings

| Name | Position and assignment at the Company | Status of attendance at Board of Directors meetings held during the year ended March 31, 2023 | | Committee membership | | |
|--------------------|---|---|---------------------|---------------------------------------|-------------------------|----------------|
| | | Attendance (times) | Attendance rate (%) | Nomination and Compensation Committee | CSR Promotion Committee | SDGs Committee |
| Isao Tsukamoto | Representative Director, Founder & CEO | 17/18 | 94.4 | ● | | |
| Ryoichi Kado | Representative Director, President & COO | 18/18 | 100.0 | ● | ● | ● |
| Shintaro Kakei | Director, Senior Managing Executive Officer | 18/18 | 100.0 | | ● | ● |
| Susumu Miyoshi | Outside Director | 18/18 | 100.0 | ● | | |
| Akira Tamura | Outside Director | 17/18 | 94.4 | ● | | |
| Noritomo Hashimoto | Outside Director | 18/18 | 100.0 | ● | | |

Outside : Outside directors Independent : Independent directors as defined by the rules of the Tokyo Stock Exchange ● : Committee chair ● : Committee member

Internal Control / Compliance

Areas of specialty of Directors and Auditors

| | Name | Corporate management | Global business | Sales and marketing | Law and risk management | Finance and accounting | Personnel management and human resource development | Technology and manufacturing | IT and digital technology |
|-----------|--------------------|----------------------|-----------------|---------------------|-------------------------|------------------------|---|------------------------------|---------------------------|
| Directors | Isao Tsukamoto | ● | ● | ● | | ● | | | |
| | Ryoichi Kado | ● | ● | ● | | | ● | | |
| | Shintaro Kakei | | ● | ● | | | | ● | ● |
| | Susumu Miyoshi | Outside Independent | ● | ● | ● | ● | | | |
| | Akira Tamura | Outside Independent | ● | ● | ● | | | | ● |
| | Noritomo Hashimoto | Outside Independent | ● | | ● | | ● | ● | |
| Auditors | Eiji Kawamura | | ● | | | ● | ● | | ● |
| | Susumu Kitsunai | Outside Independent | ● | ● | | ● | | | |
| | Yoichi Sato | Outside Independent | | | ● | | ● | | |
| | Kyoko Oyanagi | Outside Independent | ● | | ● | | ● | | |

Note: Up to four skill categories are presented per individual in line with the Company's expectations regarding their contributions in their respective areas of specialty. The above matrix does not fully describe the expertise possessed by each individual.

Remuneration system for officers

The Company's basic policy regarding remuneration for its directors is to structure a remuneration system that is linked with shareholder interests and that robustly incentivizes these individuals to strive for ongoing improvement in corporate value, with the aim of securing and retaining excellent human resources capable of practicing and realizing its corporate philosophy. To this end, the Company strives to set remuneration for each director at a level commensurate with their assigned responsibilities. Specifically, remuneration for executive directors

comprises basic fixed remuneration, performance-linked remuneration, and share-based remuneration. Remuneration for outside directors, who are tasked solely with exercising supervisory functions, consists only of basic remuneration due to the nature of their duties.

The Company has also made it a rule to ensure that procedures for determining remuneration for directors are rational, objective and transparent as is the content of such remuneration itself.

Total amount of remuneration for the year ended March 31, 2023

| | Total remuneration, etc. (millions of yen) | Number of recipients |
|---|--|----------------------|
| Directors [Of which, outside directors] | 1,039 [40] | 11 [4] |
| Auditors [Of which, outside auditors] | 46 [10] | 4 [2] |

Basic approach to internal control systems

The Kaga Electronics Group is aware that enhancing corporate governance is an important management issue. Our fundamental policy is ensuring compliance with corporate ethics and laws and regulations and reinforcing internal control systems while maintaining the soundness, efficiency and transparency of management and raising corporate value.

To this end, the Company has defined its basic approach to internal control systems. Moreover, the Company has established Rules on Officers and Board of Directors Rules to ensure the proper execution of duties by directors and the Board of Directors. The directors monitor one another's execution of duties at regular and extraordinary meetings of the Board of Directors. The Company has also established Organization Rules, Rules on the Allocation of Work Duties, Rules on Work Authority, and Rules on Internal Approval to

clarify the scope of authority of each director. As a company adopting a system of corporate auditors, each auditor, including each outside auditor, conducts detailed audits on the execution of duties by directors.

In addition, the Company has formulated the Basic Compliance Rules, which serve as a code of conduct to ensure compliance with laws and regulations and the Articles of Incorporation as a means to enable the proper execution of duties by employees of the Company and Group companies. And to make this effective, the Company has also set up the Compliance Committee under the umbrella of the CSR Promotion Committee chaired by the President & COO. In this way, the Company secured a structure to ensure the appropriate execution of business throughout the Group.

Risk management system

Potential risks that the Group faces include factors relating to economic conditions, exchange rate fluctuations, country risks, price competition and rivalries, product procurement capabilities, internal brand risks, legal regulation, market risks, major litigation, severance pay obligations, personal information, accidents, the environment, and information management. As part of efforts to create the needed appropriate systems to manage every risk the Group may face, the Company has designated divisions tasked with handling specific risks while appointing

risk control officers and managers tasked with spearheading risk countermeasures undertaken by such division.

The Risk Management Committee, a subordinate body of the CSR Promotion Committee, analyzes and examines the Group's various risks, and the predetermined departments in charge of each foreseeable risk are working to mitigate the risks. In addition, the Company has established Risk Management Regulations to clarify how to respond to risks in business operations and to strengthen the risk management system.

Ensuring appropriate operations at Group companies

The Company has established Rules on the Management of Affiliated Companies to ensure appropriate business operations at affiliated companies and executes controls based on these rules. In addition, it is required that any coordination among Group companies as well as any action on important matters are first discussed by the Company's Management Meeting and Board of Directors before decisions are made.

The Company's Audit Office conducts audits in collaboration with the Administration Headquarters and other business units to ensure that business activities undertaken by Group

companies meet unified standards and to confirm the appropriateness and compliance of their operations with laws and regulations as well as the Articles of Incorporation. The Office also provides guidance for improvements in business activities.

Furthermore, Group companies submit the minutes from all Board of Directors meetings to the Company and make monthly reports on business activities, the status of budget implementation, and important matters relating to ensuring the appropriateness of business activities.

Efforts toward the elimination of antisocial forces

The basic position of the Kaga Electronics Group is to maintain no relationships whatsoever with antisocial forces that threaten social order and safety and to remain resolute in its refusal of all improper demands from antisocial forces as set forth in its Fundamental Compliance Rules and Employment Rules.

In cases where the Company is subject to improper demands from antisocial forces, the General Affairs Department and CSR Promotion Committee work together,

acting in collaboration with crisis management advisors and company attorneys on an as necessary basis in their efforts to ensure proper and organized responses to such incidents. The Company also holds regular discussions with company attorneys, meets with police departments and other external specialized organizations, and participates in training and other activities to gather relevant information on antisocial forces.

Directors and Auditors

As of June 27, 2023

Directors



**Representative Director,
Founder & CEO**
Isao Tsukamoto
1968 Founded KAGA ELECTRONICS CO., LTD. (private management)
1968 Established KAGA ELECTRONICS CO., LTD. President
2007 Founder & CEO
2021 Outside Director of ITbook Holdings Co., Ltd. (present position)
2022 Representative Director, Founder & CEO



**Representative Director,
President & COO**
Ryoichi Kado
1980 Joined KAGA ELECTRONICS CO., LTD.
1991 General Manager of Sales Department, Sales Headquarters
1995 Director, General Manager of East Japan Sales Department, High Tech Business Division
2002 Managing Director
2005 Senior Managing Director, Chief of Specific Industry Sales Headquarters
2012 Vice President
2014 President & COO
2022 Representative Director, President & COO



**Director, Senior Managing
Executive Officer**
Shintaro Kakei
1980 Joined ITOMAN Co., Ltd.
1993 Joined KAGA ELECTRONICS CO., LTD.
2000 Division Director of Overseas Business Division, Electronics Sales Headquarters
2000 Director
2005 Managing Director
2014 Senior Managing Director
2022 Director, Senior Managing Executive Officer



Outside Director
Susumu Miyoshi
1963 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)
2001 Executive Vice President and Representative Director
2002 President of Osaka Toyopet Co., Ltd. (currently Osaka Toyota Motor Co., Ltd.)
2005 Advisor to Toyota Motor Corporation Chairman of Osaka Toyopet Co., Ltd.
2009 Executive Advisor to Maxell Holdings, Ltd.
2015 Director of the Company



Outside Director
Akira Tamura
1970 Joined the Bank of Japan
1978 Deputy Director of the International Finance Bureau, Ministry of Finance
1998 Director of Information Systems Department, the Bank of Japan
2008 Representative Director and Senior Executive Officer, Sohgo Security Services Co., Ltd. (ALSOK)
2012 Advisor to Niigata Sohgo Security Services Co., Ltd. (ALSOK) (present position)
2015 Director of the Company
2019 Outside Board Director of Solekia Limited (present position)



Outside Director
Noritomo Hashimoto
1977 Joined Mitsubishi Electric Corporation
2009 Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, in charge of General Affairs, Human Resources and Public Relations
2012 Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Senior Vice President, in charge of Corporate Strategic Planning and Operations of Associated Companies
2012 Director, Member of the Nomination Committee, Senior Vice President, in charge of Corporate Strategic Planning and Operations of Associated Companies
2016 Director
2016 Advisor
2019 Director of the Company
2021 Outside Director of IBOKIN CORP. (present position)

Auditors



Auditor (Full-time)
Eiji Kawamura
1979 Joined KAGA ELECTRONICS CO., LTD.
1985 President of TAXAN (UK) LTD.
1993 General Manager of Overseas Sales Department, Sales Headquarters No. 2
2005 Executive Officer, General Manager of Accounting Division and General Manager of Information Systems Department
2012 Executive Officer Chief of Administration Headquarters and General Manager of Accounting Division
2012 Director, Chief of Administration Headquarters and General Manager of Accounting Division
2015 Managing Director, Head of Administration Headquarters
2022 Director, Managing Executive Officer Head of Administration Headquarters
2023 Auditor (Full-time)



Outside Auditor
Susumu Kitsunai
1997 Joined Tokyo Office of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
2001 Registered as Certified Public Accountant
2002 Opened Kitsunai Certified Public Accountant Office as Representative (present position)
2004 Established Asia Alliance Partner Co., Ltd. as Representative Director (present position)
2018 Auditor of KAGA ELECTRONICS CO., LTD.
2022 Outside Director of Agent Insurance Group, Inc.



Outside Auditor
Yoichi Sato
1977 Assistant Judge at Tokyo District Court
1989 Judge at Tokyo District Court
1996 Judge at Tokyo High Court
2016 Admitted to the bar, Joined Alpha Partners Law Offices (present position)
2018 Auditor of KAGA ELECTRONICS CO., LTD.
2021 Auditor of Bouygues Asia K.K.



Outside Auditor
Kyoko Oyanagi
2002 Joined Sanken Outsourcing K.K.
2004 Joined Sugata Labor Management Office (currently Sakura Management Office)
2005 Registered as a labor and social security attorney
2006 Executive Director, Tokyo Labor Improvement Promotion Association (Labor insurance affairs association)
2016 Representative of Social Insurance and Labor Advisors Corporation, Sakura Management Office (present position)
2020 Chairperson, Tokyo Labor Improvement Promotion Association (Labor insurance affairs association) (present position)
2023 Auditor of KAGA ELECTRONICS CO., LTD.

Executive Officers

| | | |
|-----------------------------------|--|---|
| Founder & CEO | Isao Tsukamoto | |
| President & COO | Ryoichi Kado | |
| Senior Managing Executive Officer | Shintaro Kakei | |
| Managing Executive Officer | Motonori Toshinari Mitsuhiro Nohara | |
| Senior Executive Officer | Mitsuhiro Ikeda | President of EXCEL CO., LTD. |
| | Takeshi Tsukamoto | Representative Director, President of KAGA FEI Co., Ltd |
| | Takao Okabe | Division Director of EMS Business Division |
| | Yasuhiro Ishihara | Head of Administration Headquarters |

| | | |
|-------------------|-------------------|---|
| Executive Officer | Shoji Seki | Representative Director, President of KAGA SPORTS CO., LTD. |
| | Hiroki Suzuki | President of DIGITAL MEDIA LAB., INC. |
| | Hiroaki Maruyama | Director, Managing Executive Officer of KAGA FEI Co., Ltd. |
| | Kazuhira Watanabe | Division Director of Communication Network Sales Division |
| | Hironaga Nagasaka | General Manager of Sales Strategy Office |
| | Takahiro Urazawa | Senior Managing Director of KAGA SPORTS CO., LTD. |
| | Katsutoshi Suzuki | Representative Director, President of KAGA DEVICES CO., LTD. |
| | Satoshi Eguchi | Representative Director, President of KAGA MICRO SOLUTION CO., LTD. |
| | Mitsuhiro Kumabe | Representative Director, President of KAGA SOLUTION NETWORK CO., LTD. |
| | Hitoshi Koujitani | General Manager of Corporate Strategy Office |
| | Kenji Shimazaki | Managing Director of KAGA SOLUTION NETWORK CO., LTD. |
| | Zhen Zhou Zhu | China Supervisor |

Together with Our Employees

The most important management resource for a trading company is undoubtedly its human resources. To drive sustainable growth, we promote the development of human resources and the creation of an environment that enables the execution of our action guideline F.Y.T (pronounced “fight”). This guideline expresses our commitment to always be Flexible and to think and act Young when Trying to take on challenges.

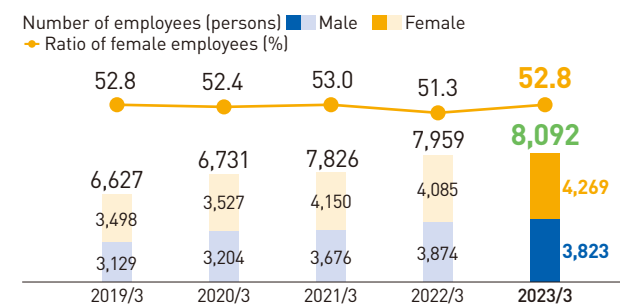
Implementing the idea that “everyone is a corporate manager”

Human resource strategy / Diversity management

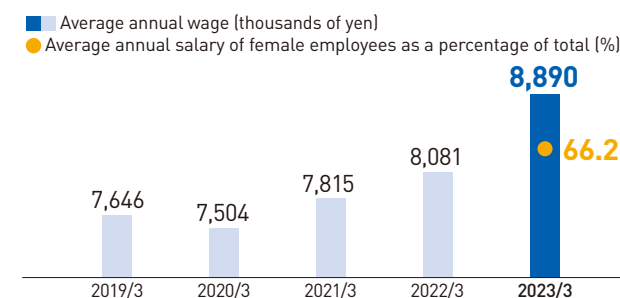
As our business activities become more global and the market environment undergoes abrupt change, diversity and taking on challenges are keys to driving sustainable growth. This is because diversity enables us to look at risk as an opportunity, and when we take on challenges we can take full advantage of these opportunities. To make this a reality, the Kaga Electronics Group promotes diversity management in terms of

making effective use of diversity in human resources and in work style. At the same time, we respect our human resources who continue to take on challenges and see each person as a corporate manager. With this in mind, we will keep protecting our corporate culture of tolerating failure as a consequence of tackling challenges.

Number of employees / Ratio of female employees (consolidated)

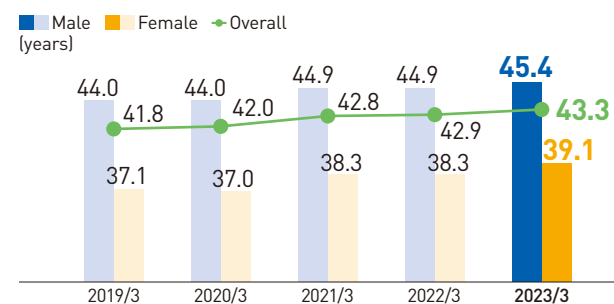


Average annual wage (including bonus)

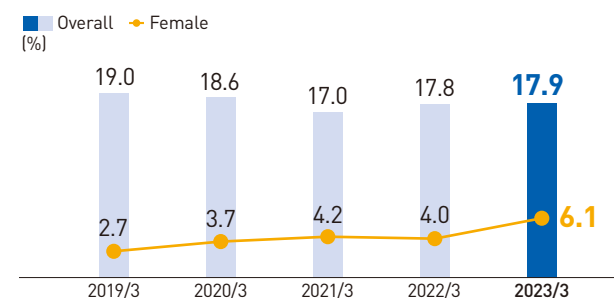


Note: The average annual wage for the fiscal years ended March 31, 2022 and March 31, 2023 include special stock incentives.

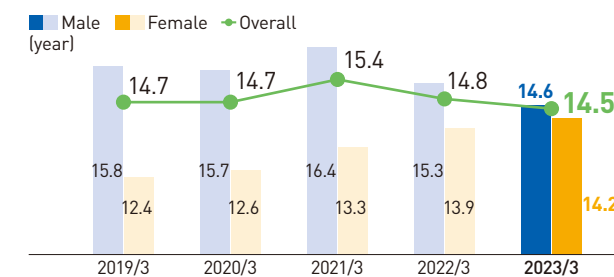
Average age of employees



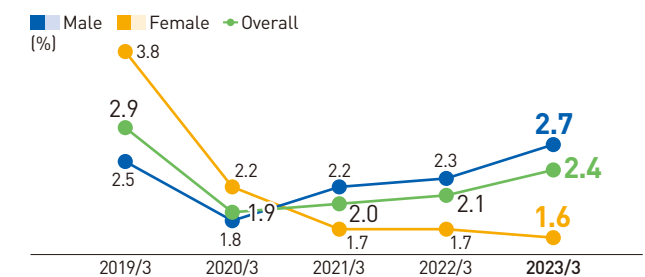
Ratio of managers



Average length of service / Job turnover rate

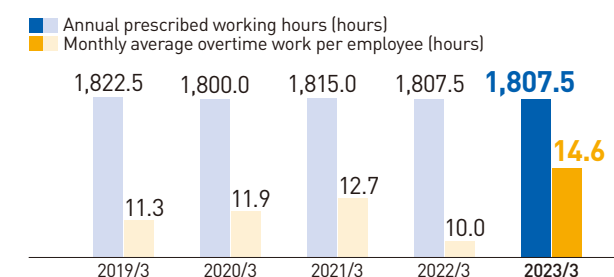


Attrition Rate

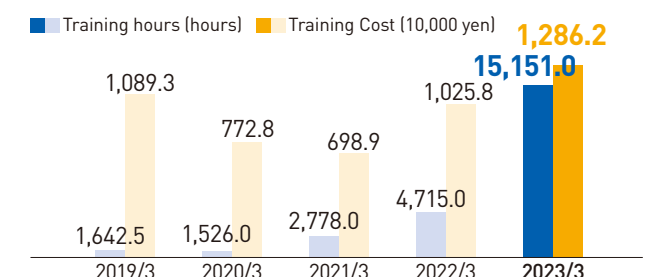


Note: The job turnover rate represents figures for KAGA ELECTRONICS on a non-consolidated basis and is calculated by dividing the number of permanent employees who have resigned over the course of each fiscal year by the number of permanent employees at the beginning of said year.

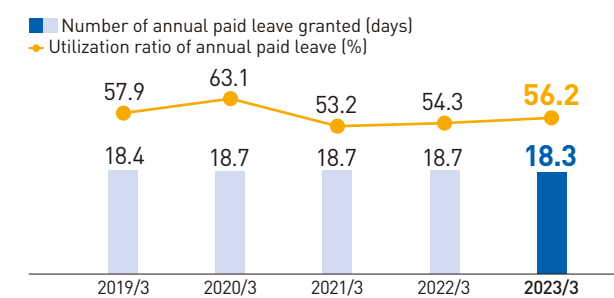
Annual prescribed working hours / Monthly average overtime work per employee



Training Hours / Training Cost

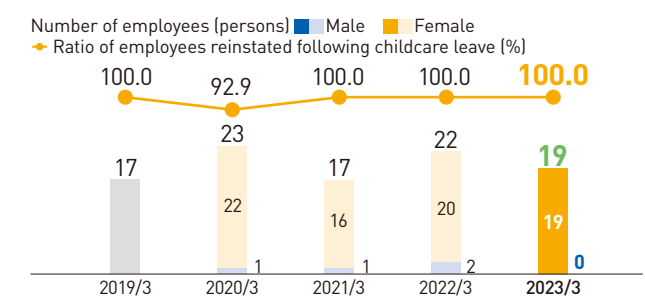


Number of annual paid leave granted / Utilization ratio of annual paid leave



Note: Average of all employees, excluding the number of annual paid leave days carried over to the subsequent fiscal year

Number of employees who took childcare leave / Ratio of employees reinstated following childcare leave



Note: The above number represents the simple sum of employees who took childcare leave.

Recognized as a 2023 Certified Health & Productivity Management Outstanding Organization

We believe that it is essential for each and every employee to be healthy both mentally and physically, and to be a group of professionals with integrity and high corporate ethics. We have been making various efforts toward health management, such as organizing a Health Management Promotion Committee and conducting stress checks. In recognition of these efforts, we were recognized as a 2023 Certified Health & Productivity Management Outstanding Organization.



Pursuing a comfortable working environment

Employee education, training and income compensation programs

At the Kaga Electronics Group, we support the career development of employees through training for new recruits, annual training, rank-based training and other forms of education, as well as by providing assistance with correspondence courses.

Every year, we grant a total of six days of paid “refresh leave,” which is separate from annual paid leave, to all employees. We also instituted a sick leave program for those who develop one of three specified types of serious disease (cancer, cerebral stroke and myocardial infarction) to help them secure

their income during their hospitalization and absence from work. Specifically, employee entitlement for paid sick leave is accumulated in step with years of service, for a maximum of 20 days. Employees are also allowed to take hourly paid leave. Through such initiatives as these, we aim to strike a good work-life balance for a safer work environment for employees.

Also, in the course of responding to the COVID-19 pandemic, we placed the utmost priority on ensuring safety and security for our employees at home and abroad.



Training room opened in Kaga Electronics Head Office building

Promotion of employees' physical and mental health

With the aim of supporting the maintenance and improvement of employee health as well as betterment of work-life balance, the Kaga Electronics Group has established its own welfare facilities. In addition to maintaining company villas in four locations in Japan, the Company owns two cruiser boats (Yokohama and Kyoto). Moreover, the Company provides employees with access to resorts in Japan and abroad, contract golf courses and other facilities. Furthermore, in August 2023, we opened a training room for employees in the Kaga Electronics Head Office building, equipped with the latest AI machines that can provide optimal training tailored to each employee's physical factors through the use of electronic tags. We will continue to implement various health promotion initiatives so that all of our employees can voluntarily maintain and improve their health.

Together with Our Customers

The Kaga Electronics Group proposes and provides value-added products and services that swiftly meet changes in the times based on its corporate philosophy of “Everything we do is for our customers.” By doing so, we support the technological innovation and production streamlining of our customers worldwide.

To deliver high-quality products and services

Quality control system

The Kaga Electronics Group established the Production Center in its EMS Business Division, thus enabling a system of quality control that centers on KAGA (SHENZHEN) ELECTRONICS CO., LTD., its flagship base for overseas production, and KAGA EMS TOWADA CO., LTD., which boast a wealth of experience in the manufacture of in-vehicle related products. At the Center, we manage the entire Group’s resources as cross-functional capabilities in such areas as production technology and quality control and promote the optimal distribution of resources and the strengthening of technological competencies on a global basis.

The Center also liaises with production sites in China and Japan as well as countries in the ASEAN region, Europe and North America to advance the standardization of production facilities, IT systems and operational processes, and the sharing of information, for example, to prevent the recurrence of issues. Through standardization, the aim is to ensure identical standards, quality and customer service.

In addition, regular exchange meetings are held to reinforce quality on a Groupwide basis.



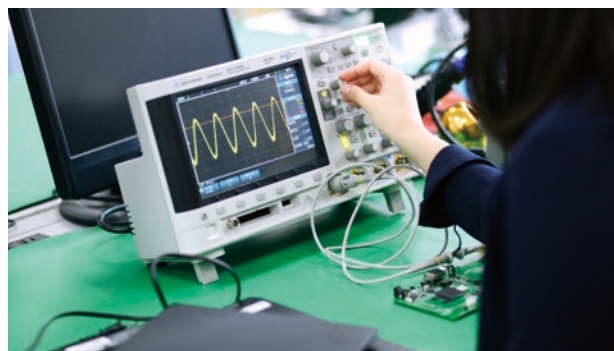
The remote verification of inspection machines involving an active exchange of ideas among attendees

Pursuing our philosophy of “Everything we do is for our customers”

Efforts to enhance quality

The Company’s Engineering Department controls the technological resources of the entire Group, from planning and development to design, manufacturing and quality assurance, and works to optimize these resources, strengthen technological capabilities and expand business across the organization. The Quality Assurance Department, one of the bodies of the Engineering Department, seeks to enhance development quality and manages safety standards throughout the Group.

This department works with other departments responsible for quality within the Group, depending on the circumstances, in order to resolve issues.



Prototype evaluation using a measurement device

Status of ISO9001 certification

KAGA ELECTRONICS and the following Group companies have attained ISO9000 series certification, an international standard for quality management. The Company is striving to further enhance customer satisfaction through the continuous improvement of its quality management system.

- Japan:** KAGA ELECTRONICS CO., LTD., KAGA TECH CO., LTD., AD DEVICE CO., LTD., KAGA MICRO SOLUTION CO., LTD., KAGA FEI Co., Ltd., NV DEVICES CO., LTD., KAGA EMS TOWADA CO., LTD., Kyokuto Electric Co., Ltd., KAGA TECHNO SERVICE CO., LTD.
- Overseas:** KAGA (H.K.) ELECTRONICS LIMITED, KAGA (SHENZHEN) ELECTRONICS LTD., KAGA COMPONENTS (MALAYSIA) SDN.BHD., KAGA ELECTRONICS (THAILAND) COMPANY LIMITED, KD TEC (Czech Republic) s.r.o., SUZHOU TAXAN KAGA TRADING CO., LTD., KAGA TECHNOLOGY (SUZHOU) ELECTRONICS CO., LTD., KAGA ELECTRONICS INDONESIA, PT, HUBEI KAGA ELECTRONICS LIMITED, TAXAN MEXICO, S.A. DE C.V., KAGA ELECTRONICS (VIETNAM) CO., LTD., KD TEC TURKEY ELECTRONIK SANAYI VE TICARET LIMITED SIRKETI, KAGA ELECTRONICS INDIA PRIVATE LIMITED, KAGA FEI AMERICA, Inc., KAGA FEI EUROPE GmbH

Together with the Community

Cognizant of the importance of its social responsibilities as a company, the Kaga Electronics Group contributes to sports promotion and to the local community through its business sites worldwide, and actively undertakes activities that help drive the advancement of education, art and culture.

Contributing to the local community

The Kaga Electronics Group, which conducts business activities around the world, takes on a variety of social contribution activities at its sites in Japan and overseas as well.

Overseas, TAXAN MEXICO S.A. DE C.V. (United Mexican States) conducts tree-planting activities with students attending nearby schools. The plant plans to move to a new factory in 2024 to expand its area and number of employees. As a multinational company, the company also participates in events to eliminate cultural and gender discrimination, in addition to hosting events focused on how to avoid diversity-based discrimination and violence.



Tree-planting activities at a nearby school (TAXAN MEXICO)



Plant tour for local junior high school students (KAGA EMS TOWADA)



The Smart Move Commuting Award (KAGA EMS TOWADA)

In Japan, KAGA EMS TOWADA CO., LTD. participated in the Aomori Smart Move Campaign, an event organized by Aomori Prefecture with the aim of curbing global warming. This company achieved a reduction of 667 kg-CO₂ during the campaign period and winning the Smart Move Commuting Award. Moreover, KAGA EMS TOWADA CO., LTD. engages in regular cleanup activities conducted at nearby sightseeing spots and around the plant.

We also provide work experience training and internships for local junior high and high school students at various locations, including KAGA MICRO SOLUTION CO., LTD. Kyokuto Electric Co., Ltd. is also promoting initiatives that are rooted in the local community, such as cooking classes for the purpose of interaction between foreign national employees working at the plant and local residents.



Cooking classes with neighborhood residents (Kyokuto Electric)

Supporting education and welfare

At KAGA ELECTRONICS, the Founder & CEO Isao Tsukamoto gives lectures to students as a specially appointed professor for the Faculty of Service Innovation, Chiba University of Commerce. Tsukamoto speaks at such events as study sessions for young corporate managers who run SMEs.

In addition, the Company also contributes to society in a wide range of fields related to education and arts and culture, such as co-sponsoring “The Marriage of Figaro,” a Kyogen-style opera supported by the Ministry of Foreign Affairs and other organizations, and Hamamatsu Jazz Week held in Hamamatsu City, Shizuoka Prefecture.



Tsukamoto lectures to students at Chiba University of Commerce



Hamamatsu Jazz Week

Together with the Earth

The Kaga Electronics Group views the 21st century as the century for protection of the global environment and, with this in mind, conducts business activities based on an awareness of energy and resource conservation that includes reducing CO₂ and other greenhouse gases and verifying the environmental load of the products and services it handles.

Environmental Policy

The Kaga Electronics Group looks to the future of electronics at all times, striving to meet customer needs as well as to preserve and enhance the natural environment in order to protect our irreplaceable Earth.

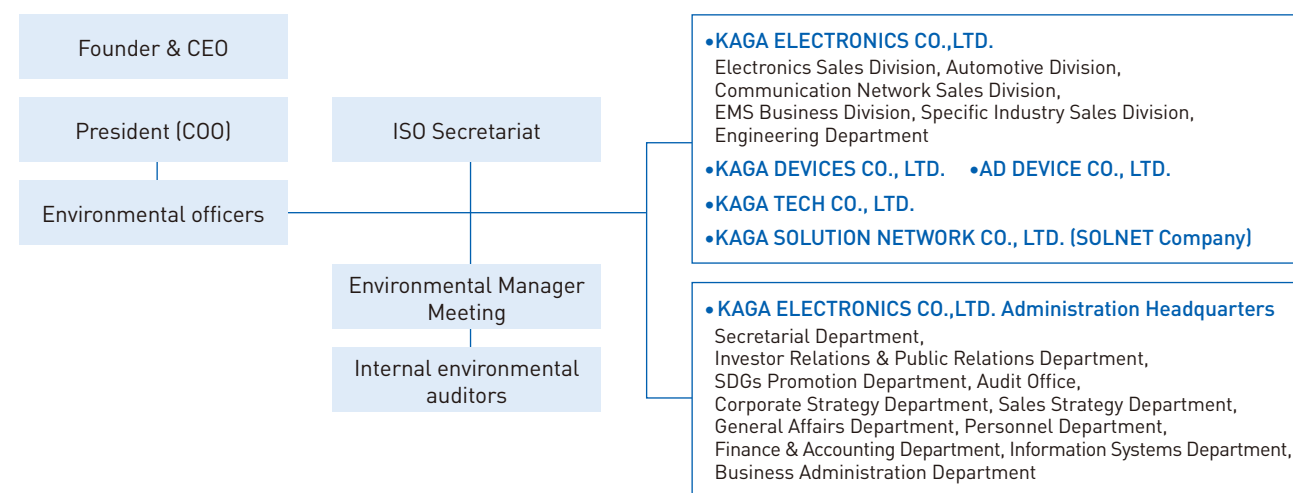
- 1 The Kaga Electronics Group shall establish an environmental management system that involves all employees and promote ongoing improvement of this system to preserve the global environment and prevent pollution in all of our business activities to provide products and services.
- 2 In executing our business activities, we shall strictly adhere to environmental laws, regulations and related requirements as well as comply with all other requirements agreed upon by the Kaga Electronics Group.
- 3 We shall strive to prevent pollution and enhance the environment through non-wasteful office and business activities based on a philosophy of conserving energy and resources.
- 4 We shall set targets for the following requirements to the extent possible for the products and services that the Kaga Electronics Group handles and regularly review the progress of our activities.
 - Must be composed of environmentally friendly substances
 - Must be able to cut waste through reuse and recycling
 - Must be designed with energy and resource conservation in mind using the latest electronics technology
- 5 We shall provide education to all employees to increase their awareness of the need for environmental protection and to ensure their understanding of our Environmental Policy.
- 6 Our Environmental Policy shall be disseminated widely throughout society through such means as the Kaga Electronics Group website and corporate profile.

Environmental management system

The Kaga Electronics Group established an environmental management system based on its Environmental Policy. Under the system, environmental officers, the ISO Secretariat, the Environmental Manager Meeting and internal environmental auditors team up and, guided by the president, conduct envi-

ronmental management at KAGA ELECTRONICS and its Group companies. In addition, we have attained ISO14001 certification, an international standard for environmental management systems, at the Company and 19 sites at four Group companies in Japan. We are strengthening our system through a PDCA cycle.

Environmental management system



Note: KAGA FEI, KAGA EMS TOWADA and EXCEL have each acquired ISO 14000 certification for their respective environmental management systems.

Initiatives to reduce environmental burden

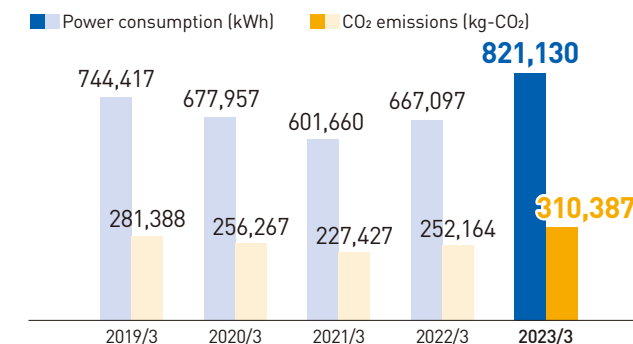
Reduction of CO₂ emissions

The KAGA ELECTRONICS Head Office building employs an air supply type double-skin* curtain wall on the exterior, allowing air to flow into the office, thus reducing heat load and providing natural ventilation. The energy efficient design also provides enhanced sound insulation. In addition, the building incorporates a variety of environmental technologies, with the use of solar panels on the roof enabling eco-energy and the installation of LED lighting throughout.

In addition, the Kaga Electronics Group began calculating the Group's overall electricity consumption in the fiscal year ended March 31, 2023, which totaled 56,993,984 kWh.

Due to an increase in employees commuting to work after the relaxation of behavioral restrictions against COVID-19 infection, both electricity consumption and CO₂ emissions at the Kaga Electronics Head Office building increased in the fiscal year ended March 31, 2023; however, we will continue our efforts to conserve energy and lower CO₂ emissions in the future.

Power consumption and CO₂ emissions at the Head Office building



* Double-skin technology refers to a method of construction in which part or all of a building exterior is covered by a two-layered double-glazed façade.

Start of specific biodiversity conservation activities

KAGA ELECTRONICS views the 21st century as the century for protection of the global environment and is committed to addressing environmental issues such as the reduction of CO₂ and other greenhouse gases through its business activities.

A biotope* was installed on the roof of our Head Office building in an effort to preserve biodiversity and protect the natural environment through the cultivation of living organisms and plants, as well as to preserve species and create an environment conducive to their habitat.

In the future, we will conduct periodic habitat surveys of the biotope's organisms (about three times a year in spring, summer, and fall), as well as share information about the biotope on our website.

*A cohesive space in which local wildlife lives.



The biotope on the roof of our Head Office building

PC product reuse and recycling business

The Kaga Electronics Group company KAGA MICRO SOLUTION CO., LTD. has flexibly changed and expanded its business domain to meet a wide range of customer demands, from the development, production and sale of electronic products to their repair, maintenance, reuse and recycling.

The company has leveraged know-how in the production of electronic equipment and an extensive procurement route for electronic parts and materials—both of which were accumulated in the EMS business, a strength of the Group—to focus on a reuse and recycling business for PC products in recent years.

In addition to "reduce programs" that look especially at cutting CO₂ and rubbish levels, the Group will contribute to a reduction in environmental burden from a reuse and recycling perspective and to the realization of a recycling-oriented society.

Number of PC products reused

